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10/700,720	11/03/2003	Eric Stephen Saylor		6027

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EXAMINER

WRIGHT, JAMES B

ART UNIT	PAPER NUMBER
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3694

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PAPER

Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

Office Action Summary	Application No. 10/700,720	Applicant(s) SAYLORS ET AL.	
	Examiner J. Bradley Wright	Art Unit 3694	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☐ Responsive to communication(s) filed on ____.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-51 is/are pending in the application.
4a) Of the above claim(s) ____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) ____ is/are allowed.
- 6) ☒ Claim(s) 1-51 is/are rejected.
- 7) ☐ Claim(s) ____ is/are objected to.
- 8) ☐ Claim(s) ____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☒ The specification is objected to by the Examiner.
- 10) ☒ The drawing(s) filed on 03 November 2003 is/are: a) ☒ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
 2. ☐ Certified copies of the priority documents have been received in Application No. ____.
 3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- | | |
|--|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892) | 4) <input type="checkbox"/> Interview Summary (PTO-413)
Paper No(s)/Mail Date. ____. |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948) | 5) <input type="checkbox"/> Notice of Informal Patent Application |
| 3) <input checked="" type="checkbox"/> Information Disclosure Statement(s) (PTO/SB/08)
Paper No(s)/Mail Date <u>11/3/2003 and 4/12/2004</u> . | 6) <input type="checkbox"/> Other: ____. |

DETAILED ACTION

Specification

1. The abstract of the disclosure is objected to because it exceed 150 words.

Correction is required. See MPEP § 608.01(b).

Applicant is reminded of the proper language and format for an abstract of the disclosure. In particular, the abstract should be in narrative form and generally limited to a single paragraph on a separate sheet within the range of 50 to 150 words. It is important that the abstract not exceed 150 words in length since the space provided for the abstract on the computer tape used by the printer is limited.

Claim Objections

2. The numbering of claims is not in accordance with 37 CFR 1.126 which requires the original numbering of the claims to be preserved throughout the prosecution. When claims are canceled, the remaining claims must not be renumbered. When new claims are presented, they must be numbered consecutively beginning with the number next following the highest numbered claims previously presented (whether entered or not).

In particular, the claims, as currently presented, include two consecutive claims numbered "48". Therefore, for the purpose of examination, misnumbered claims 48-50 are referred to herein as claims 49-51.

3. Claim 45 is objected to because of the following informality: the claim contains two consecutive step (b)'s (see lines 4 and 7). Appropriate correction is required.

Claim Rejections - 35 USC § 112

The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

4. Claims 2-51 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

5. Regarding claims 14 and 42, the claims recite the following limitations:

- Claims 14 and 42 recite the limitation "the reliability factor" in line 3.
- Claims 15 and 43 recite the limitation "the reliability factor" in line 2.
- Claims 15 and 43 recite the limitation "the customer's work history" in line 5.
- Claims 15 and 43 recite the limitation "the security" in line 6.
- Claims 15 and 43 recite the limitation "the presence" in line 7.
- Claims 15 and 43 recite the limitation "the reduction" in line 8.
- Claims 15 and 43 recite the limitation "the security" in line 10.
- Claims 15 and 43 recite the limitation "the customer's commitment" in line 12.

There is insufficient antecedent basis for these limitations in the claims.

6. **Regarding claims 2-44 and 46-51**, claims 2, 4, 11, 13, 18, 20, 22, 23, 30, 34, 35, 37-40, 46 and 49, in particular, contain the limitations of "depositing/transferring" or "deposit/transfer". It is unclear as to whether the two terms are to be interpreted in the

alternative or the inclusive (i.e. “deposit or transfer” or “deposit and transfer”) or otherwise. Appropriate correction and clarification is required.

7. **Regarding claims 36, 44 and 45**, the claims contain the limitation of “good/service”. As above, it is unclear as to whether the two terms are to be interpreted in the alternative or the inclusive (i.e. “good or service” or “good and service”) or otherwise. Appropriate correction and clarification is required.

Claim Rejections - 35 USC § 101

35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

8. Claims 2-6, 8-19 and 46-51 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter.

9. **Regarding claims 2-6, 8-19 and 46-48**, 35 U.S.C. 101 defines four categories of inventions that Congress deemed to be the appropriate subject matter of a patent: processes, machines, manufactures and compositions of matter. The latter three categories define “things” or “products” while the first category defines “actions” (i.e., inventions that consist of a series of steps or acts to be performed).

The preamble of the claims indicate that Applicant is claiming a system (i.e. an apparatus), but the claims consist only of a series of steps to be performed (i.e. a

method). As such, the claims fail to positively recite any structure of the system. While an apparatus claim with process steps is not necessarily classified as a “hybrid” claim, rather simply an apparatus claim including functional limitations, the present claims fail to positively recite any structural limitations of the system/apparatus.

10. **Regarding claims 49-51**, the claims merely recite a program to execute processes and, therefore, lack the requisite structure and functionality imparted when employed as a computer component to permit the function of the program to be realized.

According to MPEP § 2106, claims to computer-related inventions that are clearly nonstatutory fall into the same general categories as nonstatutory claims in other arts, namely natural phenomena such as magnetism, and abstract ideas or laws of nature which constitute “descriptive material.” Descriptive material can be characterized as either “functional descriptive material” or “nonfunctional descriptive material.” In this context, “functional descriptive material” consists of data structures and computer programs which impart functionality when employed as a computer component. “Nonfunctional descriptive material” includes but is not limited to music, literary works and a compilation or mere arrangement of data. Both types of “descriptive material” are nonstatutory when claimed as descriptive material per se. *Warmerdam*, 33 F.3d at 1360, 31 USPQ2d at 1759. When functional descriptive material is recorded on some computer-readable medium it becomes structurally and functionally interrelated to the

medium and will be statutory in most cases since use of technology permits the function of the descriptive material to be realized.

MPEP § 2106 further states that since a computer program is merely a set of instructions capable of being executed by a computer, the computer program itself is not a process and a claim for only a computer program, without the computer-readable medium needed to realize the computer program's functionality, is nonstatutory functional descriptive material.

Claim Rejections - 35 USC § 102

The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(e) the invention was described in (1) an application for patent, published under section 122(b), by another filed in the United States before the invention by the applicant for patent or (2) a patent granted on an application for patent by another filed in the United States before the invention by the applicant for patent, except that an international application filed under the treaty defined in section 351(a) shall have the effects for purposes of this subsection of an application filed in the United States only if the international application designated the United States and was published under Article 21(2) of such treaty in the English language.

11. Claims 1, 2, 4-9, 16-20, 22-28, 35-37, 44-46, 48, 49 and 51 are rejected under 35 U.S.C. 102(e) as being anticipated by Smith, et al. (US Patent Application Publication No. 2002/0010612).

12. **Regarding claims 1, 2, 20, 37, 46 and 49**, Smith discloses a single source money management system and software to allow customers to automate their

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committed spending (see Figures 1 and 2; and paragraphs 0006-0009 and 0020-0034)

including:

- establishing and administering a money management account and a discretionary account for a customer (see Figure 2, and paragraphs 0007-0009 and 0027-0029);
- depositing/transferring money to the money management account directly using automatic payment of at least one customer's predictable payment (paragraph 0027-0034);
- retaining money in the money management account as required for bill payment (paragraphs 0007-0009 and 0027-0029);
- depositing/transferring excess money from the money management account into the discretionary fund account (paragraphs 0007-0009 and 0027-0029); and
- paying bills on a customer determined schedule directly from the money management account using the money retained in the money management account (paragraphs 0007-0009 and 0027-0034).

13. **Regarding claims 4 and 22**, Smith further discloses that a customer has ultimate control of at least one step selected from the group consisting of depositing/transferring money to the money management account, depositing/transferring excess money into the discretionary fund account, and paying bills (paragraphs 0029-034).

14. **Regarding claims 5 and 24**, Smith further discloses that paying bills on a customer determined schedule may be automated (paragraphs 0029 and 0034).

15. **Regarding claims 6 and 25**, Smith further discloses that paying bills includes at least one step selected from the group consisting of paying at least one one-time bill, paying recurring bills having a fixed value, and paying recurring bills having a variable value (paragraph 0029-0034).

16. **Regarding claims 7 and 26**, Smith further discloses an advanced messaging system used to securely transmit information and facilitate a wide variety of online services (paragraphs 0023-0026 and 0028).

17. **Regarding claims 8 and 27**, Smith further discloses using an advanced messaging system through which a customer enables digital information from different sources to be independently authorized to be linked together (paragraphs 0023-0026 and 0028).

18. **Regarding claims 9 and 28**, Smith further discloses maintaining the sensitive information by the originator of the sensitive information (paragraphs 0023-0026 and 0028).

19. **Regarding claims 16**, Smith further discloses establishing a discretionary fund account to hold money in excess of the bill amount (paragraph 0027).

20. **Regarding claims 17 and 18**, Smith further discloses that the depositing/transferring of funds between the various accounts may be done electronically (paragraphs 0024-0034).

21. **Regarding claim 19**, Smith further discloses that paying bills may be done electronically (paragraph 0029).

22. **Regarding claim 23**, Smith further discloses automatically depositing/transferring the customer predetermined dollar amount (paragraphs 0027-0034).

23. **Regarding claim 35**, Smith further discloses distributing the predictable payment for each the at least one customer in a manner selected from the group consisting of:

: • the at least one financial institution depositing/transferring the customer predetermined dollar amount of the predictable payment for each the at least one customer to the associated the at least one money management account and simultaneously depositing/transferring money in excess of the customer predetermined dollar amount from the predictable payment for each the at least one customer to the

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associated the at least one discretionary fund account (paragraphs 0024 and 0027-0034);

- the at least one financial institution depositing/transferring the entire the predictable payment to the at least one money management account and, thereafter retaining the customer predetermined dollar amount of the predictable payment for each the at least one customer in the associated the at least one money management account and depositing/transferring money in excess of the customer predetermined dollar amount from the predictable payment for each the at least one customer to the associated the at least one discretionary fund account (paragraphs 0024 and 0027-0034); and

- the at least one financial institution depositing/transferring the entire the predictable payment to the at least one discretionary fund account and, thereafter depositing/transferring the customer predetermined dollar amount of the predictable payment for each the at least one customer to the associated the at least one money management account (paragraphs 0024 and 0027-0034).

24. **Regarding claims 36, 44, 45, 48 and 51**, Smith further discloses a secure internet shopping system and network, including:

- at least one financial institution having a financial institution web system, the at least one financial institution linked to the network (paragraphs 0024 and 0028);

- at least one vendor having a vendor web system linked to the network, each the at least one vendor offering at least one good/service on its vendor web system (paragraphs 0024 and 0029-0031);
- at least one customer having access to the secure internet shopping system via the network, the at least one customer selecting at least one good/service from a selected vendor web system (paragraphs 0024, 0026 and 0029-0031);
- a single source money management system presenting a list of accounts held at the at least one financial institution for the at least one customer (paragraphs 0027-0034);
- the at least one customer selecting an account from the list of accounts from which to make payment for the selected at least one good/service (paragraphs 0027-0034);
- the at least one customer being transferred to the financial institution web system (paragraphs 0024 and 0027-0034); and
- the at least one customer authorizing payment at the financial institution web system to the vendor associated with the selected at least one good/service and the at least one financial institution depositing/transferring payment for the at least one selected goods/services (paragraphs 0024 and 0029-0031).

Claim Rejections - 35 USC § 103

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

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(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which the subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

25. Claims 3, 11-15, 21, 30-34, 38-43, 47 and 50 are rejected under 35

U.S.C. 103(a) as being unpatentable over Smith in view of Watkins, et al. (US Patent Application Publication No. 2001/044756) (cited by applicant).

26. **Regarding claims 3 and 21**, Smith teaches the limitations of claims 2 and 20, respectively, as discussed above. However, Smith does not explicitly disclose that the automatic payment may be automatic payroll deduction from a payroll system having automatic payroll deduction capabilities. Watkins, in an analogous art, teaches that it was old and well-known in the art at the time of invention to use a payroll deduction plan as a method of paying for products and/or services for the purpose of affording employees the option of purchasing products and services on future earnings, and thus expanding their financial options (paragraph 0003). Watkins further teaches making payments using automatic payroll deductions (paragraph 0057). Therefore, it would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the system of Smith to permit payments to designated payees using automatic payroll deduction in order to expanding their financial options and provide a more versatile service, as taught by Watkins.

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27. **Regarding claims 11, 30, 38, 39, 47 and 50**, Smith teaches the limitations of claims 2, 20, 37, 46 and 49, respectively, as discussed above. However, Smith does not explicitly establishing a loan account to pay a vendor.

Watkins, in an analogous art, teaches a payroll deduction system and method that finances a payroll deduction plan (paragraph 0006-0007, 0012 and 0015) including:

- at least one loan account established at the at least one financial institution in response to an application for a loan account from at least one the at least one customer (paragraph 0027-0029 and 0058);
- at least one vendor from which the at least one customer makes a loan purchase by submitting an application for a loan purchase to the at least one financial institution, the at least one financial institution granting a loan for the loan purchase from the at least one vendor (paragraphs 0034-0036 and 0058);
- the at least one financial institution depositing/transferring payment for the loan purchase directly to the at least one vendor (paragraphs 0036-0038 and 0058); and
- the at least one bill pay system depositing/transferring repayment of the loan from the loan account from the money management account (paragraphs 0045-0047).

28. **Regarding claims 12, 33 and 41**, Watkins further discloses that granting a loan in response to an application for a loan purchase may be repeated for multiple loan purchases (paragraph 0058).

29. **Regarding claims 13, 34 and 40**, Watkins further discloses that depositing/transferring repayment further includes retaining a portion of the money from the customer's paycheck equal to a portion of the loan in the money management account, and repaying at least a portion of the loan by depositing/transferring money equal to the portion of the loan from the money management account to the loan account (paragraphs 0045-0047).
30. **Regarding claim 14 and 42**, Watkins further discloses that loans taken on the loan account being approved by an issuing financial institution based at least in part on the reliability factor provided by the use of the single source money management system (paragraphs 0027-0029).
31. **Regarding claims 15 and 43**, Watkins further discloses that the reliability factor is at least one factor selected from a group consisting of security provided by direct deposit into the money management account, the customer's work history, the security provided by automatic and timely payments, the presence of insurance and/or deposit protection devices, the reduction of the financial institution's transaction processing costs providing a financial buffer for loan defaults, the security of having the payment of loans prior to transfers to the discretionary fund account, or the customer's commitment to maintain direct deposit to the financial institution until the loan is repaid in full (paragraphs 0027-0029).

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32. **Regarding claim 31**, Watkins further discloses granting a loan for the loan purchase indirectly from the at least one vendor (paragraph 0058).

33. **Regarding claim 32**, Watkins further discloses a plurality of vendors from which the at least one customer makes loan purchases by submitting applications for a loan purchases (paragraphs 0032-0038 and 0058).

34. Claims 10 and 29 are rejected under 35 U.S.C. 103(a) as being unpatentable over Smith.

35. **Regarding claims 10 and 29**, Smith teaches the limitation of claims 2 and 20, respectively, as discussed above. However, Smith does not explicitly disclose that one time unique transaction codes are used to facilitate transmissions and transfers. The Examiner takes Official Notice that it was old and well-known at the time the invention was made to identify transactions using a unique code for the purpose facilitating processing of the transaction at the financial institutions and providing the customer and merchant with an easy means for identifying and retrieving the transaction for various purposes, such as disputed charges and accounting, after the transaction has occurred. Therefore, it would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the system of Smith to identify transactions using a unique code for the purposes previously identified, as is old and well-known.

Conclusion

36. The following prior art made of record and not relied upon is considered pertinent to applicant's disclosure:

- Rowney, et al. (US Patent No. 5,996,076) discloses a system, method and article of manufacture for secure digital certification of electronic commerce.
- Weiss, et al. (US Patent No. 5,866,889) discloses an integrated full service consumer banking system and system and method for opening an account.
- Kight, et al. (US Patent No. 5,383,113) discloses a system and method for electronically providing customer services including payment of bills, financial analysis and loans.
- Debonnet (US Patent Application Publication No. 2001/0032139) discloses a cybermoney network; a seamless internet commercial and investment bank account connectivity interface for payment and settlement of goods and services purchased via the internet.
- McNamar, et al. (US Patent No. 7,089,202) discloses a method and system for internet banking and financial services.
- Lawlor, et al. (US Patent No. 7,076,458) discloses a method and system for remote delivery of retail banking services.
- Walker, et al. (US Patent No. 6,088,686) discloses a system and method to performing on-line credit reviews and approvals.
- Buchanan, et al. (US Patent Application Publication No. 2003/0211886) discloses a method for protecting against impulse expenditure.

- Groat, et al. (US Patent Application Publication No. 2001/0032155) discloses a financial status display system.
- Tarr (US Patent Application Publication No. 2002/0128921) discloses a system and method for facilitating electronic purchasing.
- Adams, et al. (US Patent Application Publication No. 2001/0032178) discloses a network based loan approval and document origination system.
- Kravetz, et al. (US Patent No. 6,397,196) discloses a hybrid installment loan/savings account.

37. Any inquiry concerning this communication or earlier communications from the examiner should be directed to J. Bradley Wright whose telephone number is (571)272-5872. The examiner can normally be reached on M - F 8:30am - 5:00pm.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, James Trammell can be reached on (571) 272-6712. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

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Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

jbw

./James P Trammell/

Supervisory Patent Examiner, Art Unit 3694